## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 CIEP-02 DODE-00 NSAE-00 RSC-01

TRSE-00 AEC-11 CIAE-00 COME-00 /051 R

DRAFTED BY EB/ITP/EWT/RBWRIGHT:TLW APPROVED BY EB/ITP/EWT/RBWRIGHT EUR/EE - MR. CHRISTENSEN COMMERCE/OEA - MR. MEYER (SUBST) DEFENSE/ISA - DR. MOUNTAIN (SUBS) CIEP - MR. WEISS (INFO)

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P 182143Z APR 74 FM SECSTATE WASHDC TO AMEMBASSY BUDAPEST PRIORITY

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E.O. 11652: GDS

TAGS: ESTC, ETRD, COCOM, US, HU

SUBJECT: IBM SALE OF 370/155 TO HUNGARIAN

CENTRAL STATISTICAL OFFICE

REF: BUDAPEST 3759

- 1. COMMERCE IS PREPARED TO APPROVE SALE OF IBM 370/155 TO HUNGARIAN CENTRAL STATISTICAL OFFICE, KELETI KAROLY UTCA 5-7, BUDAPEST II SUBJECT TO CERTAIN SAFEGUARD CONDITIONS. THESE CONDITIONS ARE AGREED BETWEEN IBM AND THE CENTRAL STATISTICAL OFFICE (CSO). CONDITIONS INCLUDE PRESENCE IBM REPRESENTATIVE ON SITE TO MONITOR COMPUTER AND OBTAIN CERTAIN TAPED MONITORING INFORMATION FOR TRANSMITTAL TO U.S. GOVERNMENT IN ACCORDANCE WITH COMMERCE REQUIREMENT.
- 2. WHILE CSO AGREEABLE THIS ARRANGEMENT IBM FOR REASONS OF COMPANY POLICY AND SPECIAL HISTORY OF IBM OPERATIONS IN HUNGARY IS UNWILLING TO RISK HAVING IBM REPRESENTATIVE DELIVER TAPED MATERIAL TO U-S. EMBASSY FOR TRANSMITTAL WASHINGTON, AN ARRANGEMENT THAT IS CUSTOMARY IN OTHER CASES CONFIDENTIAL

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IN OTHER EASTERN EUROPEAN COUNTRIES.

3. IBM HAS REQUESTED USG ASSISTANCE IN ARRANGING FOR U.S. EMBASSY REPRESENTATIVE TO PICK UP TAPES FROM CSO. PROPOSAL IS THAT IBM REPRESENTATIVE WOULD PLACE MATERIALS IN A LOCK-BOX AT CSO FROM WHICH U.S. EMBASSY REPRESENTATIVE

WOULD PICK THEM UP AT INTERVALS TO BE DETERMINED.

4. COULD EMBASSY UNDERTAKE SERVICE DESCRIBED IN PARAGRAPH 3? IT WOULD PRESUMABLY BE ADVISABLE TO SEE WHETHER THIS ARRANGEMENT IS ACCEPTABLE TO APPROPRIATE HUNGARIAN AUTHORITIES. SINCE WE ARE OBLIGATED TO RESPOND TO IBM MANAGEMENT ON THIS MATTER APRIL 19 WE WOULD APPRECIATE EMBASSY RESPONSE SOONEST WITH OR WITHOUT CONSULTATION WITH HUNGARIAN AUTHORITIES. KISSINGER

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## Message Attributes

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